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PRESS RELEASE

**EMBEZZLEMENT SCHEME AND LARGEST SEIZURE
OF FUNDS FOR FORFEITURE IN DELAWARE HISTORY**

Colm F. Connolly, the United States Attorney for the District of Delaware, announced today the filing of money laundering charges against Josef J. Murphy, a/k/a Joseph Murphy, in the United States District Court for the District of Delaware. The information¹ charges Murphy with laundering twenty nine checks that represent the proceeds of interstate transportation of stolen property gained from the embezzlement of \$8,239,197.79 from Murphy's former employer, the Advance Magazine Group (AMG). The information also charges Murphy with using some of the proceeds of the crime to purchase a home in West Chester, PA. Finally, the information notifies Murphy of the United States' intent to have Murphy forfeit the \$8,239,197.79 in ill-gotten gains and Murphy's home located at 759 Wesley Ct., West Chester, PA 19382. Even before the filing of charges, the United States had seized for forfeiture more than \$5,900,000 held in 18 accounts at five financial institutions. The money in question represents the largest seizure of ill-gotten gains in Delaware history.

According to the information and to affidavits previously filed in connection with the case, an audit conducted by AMG revealed that Murphy, a credit collection manager for the company, embezzled \$8,239,197.79 by forging documents showing that various AMG customers were due refunds and then requisitioning checks payable to those customers. Supervisory employees would authorize payments based on the forged documents. After the fraudulent checks were drawn, Murphy would request that the checks be given to him and emphasized that the checks should not be mailed to the customers in question. Murphy then would take the checks to Yonkers, New York where he would deposit them in bank accounts he had opened at Atlantic Bank of New York in the names of the payees on the checks.

¹ An information is only an accusation. A defendant is presumed to be innocent until proven guilty.

Investigators traced proceeds of the crime into accounts held by Murphy at TD Waterhouse and Ameritrade. Those accounts and the open Atlantic Bank accounts have been frozen and will be seized for forfeiture. The investigation is continuing.

If convicted, Josef Murphy faces a maximum sentence of thirty years imprisonment and a maximum fine of over \$16 million on the two charges.

The case is being investigated by Detective Robert Moser of the Wilmington Police Department, Special Agent Peter Gangel of the Federal Bureau of Investigation, and Special Agent Robert Delgado of the Internal Revenue Service, Criminal Investigations. The case is being prosecuted by Assistant U.S. Attorneys Beth Moskow-Schnoll and Douglas McCann.